

REMARKS

Claims 19 and 35 are pending in the application. Each has been amended to provide a better definition of the invention, and not to avoid any known prior art including the references applied against the claims in the April 13, 2009 Office Action (“the Office Action”). Also, both of claims 19 and 35 were amended to correct an obvious error in the description of the automatically generated order. Specifically, the second order in the description should have read “(b) an order relating to one of the first and second leg forwards and a forwards spread order.”

In addition, claim 35 has been amended to address the rejection thereof in the Office Action under 35 U.S.C. § 101 as being directed toward non-statutory subject matter. It is submitted that claim 35, as amended herein, presents statutory subject matter under 35 U.S.C. 101.

Claims 19 and 35 were rejected in the Office Action under 35 U.S.C. 103(a) as being unpatentable over U.S. Pat. App. Pub. No. 2002/0033212 (hereinafter “Sandhu”) in view of U.S. Pat. No. 5,787,402 (hereinafter “Potter”). As indicated above, claims 19 and 35 were not amended to avoid this prior art, and Applicants respectfully traverse.

The type of trade involved in claims 19 and 35, the only pending claims, is a forwards spread trade comprising a first leg forwards trade and a second leg forwards trade, with a price spread occurring between the prices of the first and second leg forwards trades. (In view of this, the Title of the application has been amended to “Electronic Trading System For Forwards Spread Trades.”)

Claim 19

Claim 19 claims:

automatically generating from the forwards orders in the trading system one of (a) a forwards spread order including a spread price representing a difference between prices of potential first and second leg forwards trades and an (b) order relating to one of the first and second leg forwards trades and a forwards spread order; the automatically-generated order not being initiated by a user station; (referred to below as “the automatic order generation limitation”) [and]

in response to a request from a user station to execute the automatically-generated order...executing the forwards spread trade including executing the first leg forwards trade at the first price and the second leg forwards trade at the second price, thereby providing the price spread between the first and second prices of the first leg and second leg forwards trades, respectively. (Referred to below as “the spread trade execution limitation.”)

Applicants submit that Sandhu and Potter, individually or in combination, do not disclose at least the automatic order generation and the spread trade execution limitations in claim 19 quoted above.

The Office Action contends that Sandhu discloses everything in claim 19 except the automatic order generation limitation, which the Office Action contends is disclosed by Potter. Applicants respectfully disagree.

As a general matter, Sandhu and Potter are not concerned with a spread trade transaction of the type described in claim 19, i.e., forwards spread trades comprising a first leg forwards trade and a second leg forwards trade, and a price spread comprising the difference between prices of the first and second leg forwards trades. None of the transactions described in Sandhu and Potter involves such a type of trade, as will be discussed in more detail below.

Although Sandhu is the primary reference in the rejection of claim 19, Potter is discussed first because if Potter fails to disclose the automatic order generation limitation, then Sandhu cannot possibly execute a trade on such an order.

Potter

Potter describes a system that allows clients of a financial institution to engage in international money transactions using a personal computer to access any one of the following specific transactions: FX (Foreign Exchange) Trade; FX Order; Money Market deposit; and Payment Order. Using the FX Trade application, a client may execute an FX spot (one-way or two-way), forward, or swap trade. Using the FX Order application, authorized clients may place different variations of leave orders for spot and forward trades, which, for example, the system may automatically execute if certain user specified parameters are met. The Money Market application may be used by the client for short-term deposits of foreign currencies at a specified deposit rate. This application swaps the foreign currency into US dollars (USD) for the deposit's duration and, at the end of the duration, swaps the USD back in to the original foreign currency, along with accrued interest over the duration at the specified deposit rate. The Payment Order application allows a client to make foreign currency payments to other private entities in USD, with the system executing the underlying currency conversion transaction.

Two types of transaction that may seem relevant are forward trades, described starting at col. 9, line 1, and swap trades, described starting at col. 9, line 53. However, neither of these two transactions, nor any of the others described in Potter, are relevant to the spread trade described in claim 19 in the context of the automatic order generation limitation and the spread trade execution limitation of claim 19 quoted above. Each of the transactions invoked by the applications disclosed in Potter involves no more than an individual trade or individual proposed

transaction for which the transaction terms may be presented to a user. None includes the type of trade described in claim 19.

However, the April 13, 2009 Office Action in applying Potter against claim 19 does not refer to any of the transactions disclosed in Potter, i.e., FX Trade, FX Order, Money Market deposit, and Payment Order. Instead, the Office Action contends that at least claim 25 of Potter discloses the automatic order generation limitation as claimed in claim 19. Claim 25 reads:

The method of claim 24 further including the step of selecting said displayed second currency.

It is not understood how “selecting said displayed currency” discloses automatically generating an order, and how “selecting” a displayed item discloses automatic generation not initiated by a user station. In fact, “selecting said displayed currency” in claim 25 infers the opposite of automatically generating an order not initiated by a user station because “selecting” a displayed item infers that a user performs the selecting. This is borne out by the specification in Potter which numerous times refers to a client or user performing the selecting. One example in Potter is the following:

After a client selects an entity and account, they may select currencies to buy or sell for the first leg of the swap 516. The client then chooses a second buy or sell currency from a list currencies available for trade with the first currency, as was sent to the client PC by the FX Trade Server upon log-in 518. (Col. 9, line 66-col. 10, line 4.)

In addition, claims 1 and 24, on which claim 25 is dependent, respectively recite “inputting a first currency and a second currency to be used in said transaction” “wherein said inputting first and second currencies step further includes the step of displaying all second currencies available for trade with said first currency once said first currency is input.” This supports the conclusion that the selecting in claim 25 is via user action and not automatic generation not initiated by a user station.

A review of Potter reveals that Potter simply does not disclose in claim 25 or anywhere else the automatic order generation limitation, i.e., “automatically generating from the forwards orders in the trading system one of (a) a forwards spread order including a spread price representing a difference between prices of potential first and second leg forwards trades and an (b) order relating to one of the first and second leg forwards trades and a forwards spread order; the automatically-generated order not being initiated by a user station.” If the Examiner continues to maintain that Potter discloses this limitation, he is respectfully requested to cite the exact language in Potter that discloses this. Applicants appreciate that the Examiner in support of his rejection has cited specific two specific lines of text in claim 25, and respectfully request that the Examiner in any further office action rejection cite to specific language rather than to broad passages of text.

Sandhu

Regarding Sandhu, the Office Action contends that Sandhu discloses “a forwards spread trade (**see at least paragraph 205**)...comprising a first leg forwards trade and a second leg forwards trade (**see at least paragraph 0418, 0421 and 0422**), and a price spread comprising the difference between prices of the first and second leg forwards trades (**see at least paragraph 0886**)” (Emphasis in original.) However, there is no mention in any of the cited paragraphs in Sandhu that the first and second legs and the price spread are part of a forwards spread trade which also includes automatic generation of an order (i.e., the automatic order generation limitation). While an FX swap trade may have near and far legs, it is not the same as the forwards spread trade described in claim 19.

Non-obviousness

A *prima facie* case of obviousness requires a finding in the prior art of every claimed element based on a reference or references or the understanding of one of ordinary skill in the art. (MPEP ¶¶ 2141 III.) Seven exemplary rationales, discussed in MPEP ¶ 2143, may support a conclusion of obviousness, but all involve in one way or another a finding in the prior art of all elements of the claimed invention (whether found in a reference or the understanding of one of ordinary skill in the art). Thus, a *prima facie* case of obviousness requires a finding of all of the claim elements somewhere in the prior art, even if the prior art is in the understanding of one of ordinary skill in the art.

Applicants have explained above with respect to claim 19 that one or more limitations thereof are not disclosed by Potter and Sandhu. Therefore, it is submitted that there is no *prima facie* case of obviousness against claim 19, and claim 19 should be allowed.

Claim 35

Claim 35 claims a method that includes claim limitations in the context of a method that are comparable to those recited in claim 19 in the context of a system. It is submitted that independent claim 35 is allowable based on reasoning similar to that presented above for claim 19.

Closing

Since Applicants maintain that all independent claims are allowable based at least on the reasoning presented above, in the interests of brevity, this response does not comment on each and every comment made by the Examiner in the Office Action. This should not be taken as acquiescence of the substance of those comments, and Applicants reserve the right to address such comments in this or a subsequent proceeding.

For at least the reasons discussed above, Applicants respectfully submit that claims 19 and 35 are allowable. Reconsideration and allowance of the application with claims 19 and 35 are respectfully requested.

The Examiner is respectfully invited to contact Applicants' Representative by telephone on any issue which the Examiner believes is suitable for possible resolution or clarification by telephone.

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Respectfully submitted,

A handwritten signature in black ink, appearing to read "Frank DeRosa", written over a horizontal line.

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